

# Reporting and Self-Assessment St. Georges Bank

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Principles for Responsible Banking



## Reporting and Self-Assessment Template

The following template sets out the reporting and self-assessment requirements for Signatories of the Principles for Responsible Banking (PRB). Your bank discloses which actions it has undertaken to implement the PRB by self-assessing its progress on each of the 6 Principles. This template is therefore structured in accordance with the 6 Principles that signatories have committed to.

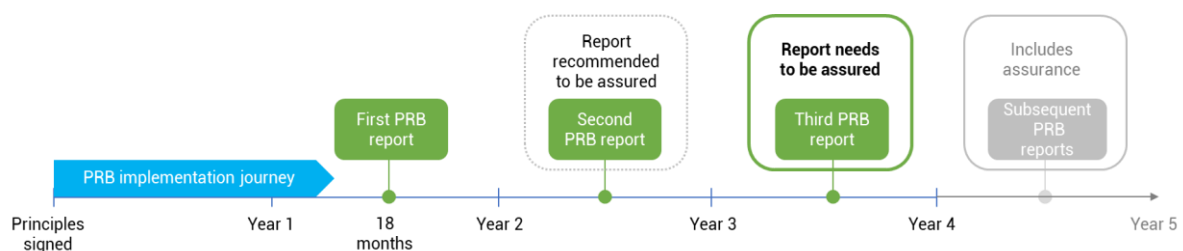
Three [Key Steps](#) are critical to showing that your bank is fulfilling its commitments as a signatory of the PRB, i.e. Impact Analysis, Target Setting & Implementation and Assured Reporting/Accountability. The sections in the Reporting and Self-Assessment Template that relate to the 3 Key Steps also require a self-assessment summary to demonstrate the extent to which the bank has fulfilled the respective requirements of the Key Steps.

### Accommodating different starting points

Your bank has an initial four-year period from signing to implement the 6 Principles including to bring its reporting fully in line with the requirements. Your bank may not be able to provide all information required in this template in the first report. You should build on your implementation progress annually. Feedback, support, capacity building, training and peer learning are available to all signatory banks to help them progress with both implementation and reporting.

### Timeline for reporting and assurance

Signatory banks need to report on their implementation of the Principles on an annual basis. The first PRB report has to be published within 18 months of signing the Principles, to give the bank some flexibility to align the PRB reporting with its reporting cycle. Publishing the first PRB report at any point earlier than 18 months after signing the Principles is therefore an option. After the first PRB reporting has been published, subsequent reports have to be published annually thereafter, i.e. within 12 months at the latest after the prior report<sup>1</sup>.



### Assurance

The last report within the initial 4 year implementation period (and subsequent reports thereafter) needs to be assured, which means that at least the third PRB report needs to be assured. Banks are encouraged to put the assurance process in place well before that and have earlier PRB reports already assured.

<sup>1</sup> Early reporting is permitted, although sufficient time to show progress from one year to the other should be taken into account.

All items that relate to the three [Key Steps](#) (highlighted in yellow) require limited assurance by year four of signing the PRB, undertaken by an independent third party with relevant expertise in the field. These are:

- 2.1 Impact Analysis
- 2.2 Target Setting
- 2.3 Target Implementation and Monitoring
- 5.1 Governance Structure for Implementation of the Principles

An assurer provides limited assurance of your self-assessment in these listed areas. You can do this by including it in your existing assured reporting. Where third-party assurance is not feasible, an independent review may be conducted. Assurance requirements are described in more detail in the [Guidance for Assurance providers: Providing limited assurance for reporting](#).

## Purpose of the template

The purpose of this template is to assist signatories in disclosing their progress on implementing the PRB. The disclosed information is used by the UNEP FI Secretariat as the basis for the individual review of each bank's progress, as well as for reporting the collective progress made by the PRB Signatory Group. To measure collective progress in a consistent manner, some standardized questions to be completed by the banks are integrated into the template. The open questions give banks the flexibility to disclose the progress they make, considering the diverse business models and various contextual differences in which banks operate.

# How to use this template

This template gives banks the chance to provide summaries of the annual progress made in implementing each Principle. It is designed for your bank to provide references/links to where in your existing reporting/public domains (websites) the required information can be found to support your answers. The aim is to keep any additional reporting burden to a minimum while ensuring transparency and accountability as set out in Principle 6. When referring to other documents, please specify the pages where the exact information appears.

The Reporting and Self-Assessment Template shall not be amended structurally and content-wise. The content and text of the template can be applied to corporate layout and designed accordingly, without omitting parts of the texts. The Reporting and Self-Assessment Template can be integrated into your bank's reports (annual report, sustainability report or relevant reporting formats) or can be published as a stand-alone document. It needs to be publicly available and will be listed on the UNEP FI Signatories page.

The reporting needs to be published in English. Information that is referenced to within the Reporting and Self-Assessment Template should also be available in English. Where that is not possible, it is recommended to include the summary of relevant information as text in the Template, so that all necessary information can be taken into account when the UNEP FI Secretariat reviews the bank's performance.

# Principle 1: Alignment



We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

## Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

### Response

St. Georges Bank mission is to promote a bank that develops relationships and offers products and services to our communities, to help them overcome their limits, whether they might be cultural, economic, personal or geographical. We offer a wide range of products and services, which are offered through its Personal, Business, Private and Regional Banking, making use of its 11 branches.

During its 20 years of sustained development, St. Georges Bank has established itself as part of one of the most important regional financial groups. It has a staff of collaborators that exceeds 600 people and more than 61,000 customers. We are ranked as the 14th bank of the 45 private banks with general license, our total assets have gone from US \$ 320 million at the end of 2007 to more than US \$ 1,939 million at the end of December 2022.

St. Georges Bank expects to be an agent of change in the communities where we operate through loans, programs and initiatives related to green lines; financing programs for SMEs, and responsible consumption; as well as initiatives that promote the development of women in society.

In addition, there is an Environmental, Social and Governance Risk Management System (ARAS-G), which is executed when financing clients.

### Links and references

¿Quiénes somos?  
Banca de personas, Banca de Empresas y PYMEs, Banca Privada.

<https://www.stgeorgesbank.com/>

Memorial Anual 2022.  
<https://www.stgeorgesbank.com/quienes-somos/memorias/memoria-2022/#book/>

## Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

Yes

No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

**Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?**

- UN Guiding Principles on Business and Human Rights
- International Labour Organization fundamental conventions
- UN Global Compact
- UN Declaration on the Rights of Indigenous Peoples
- Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: Iniciativa Financiera del Programa de las Naciones Unidas para el Medio Ambiente (PNUMA-FI o UNEP-FI), los Principios del Ecuador,
- Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: La Carta Internacional de Derechos Humanos, Los Principios Rectores sobre las empresas y los Derechos Humanos de Naciones Unidas, Las Líneas Directrices de la OCDE para Empresas Multinacionales.
- None of the above

*Response*

St. Georges Bank is committed to sustainability, this is one of the strategic pillars and has the support of the founding partner and main shareholder, the board of directors, as well as the managers. The strategy seeks to contribute to the fulfilment of international goals such as the 2030 agenda of the Sustainable Development Goals (SDG), the Principles of Responsible Banking (PRB), the Paris Agreement.

We have a Regional Sustainability Strategy based on four strategic axes:



Administración de Riesgo Ambiental, Social y Gobernanza (ARAS-G)

*Links and references*

Memorial Anual 2022.  
<https://www.stgeorgesbank.com/quienes-somos/memorias/memoria-2022/#book/>

1. Sustainable business: This includes the set of products the Bank offers and continues to expand, aligned with development goals and always with a sustainable component.
2. Impact measurement: Different mechanisms to keep track of development indicators to measure improvement in the other three axes.
3. Leading by example: Internal actions that contribute to reducing the bank's impact from activities such as eco-efficient initiatives, waste management and recycling, and digital solutions for paper use. These actions are towards the commitment of the bank for using eco-efficient practices.
4. Social Investment: We support communities where we have presence with an active corporate volunteer group, donations to several causes, support to various foundations, and financial education programs.

in addition to mainstreaming through both internal and external communication and as a basis the Environmental, Social and Governance Risk Management (ARAS-G).

The strategy seeks to contribute to the fulfillment of international goals such as the 2030 agenda of the Sustainable Development Goals (SDGs), the Principles for Responsible Banking (PRB), the Paris Agreement.

The SDG's in which we directly impact as St. Georges Bank are:

SDG 1: No Poverty

SDG 4: Quality Education

SDG 5: Gender Equality

SDG 8: Decent Work and Economic Growth

SDG 10: Reduced Inequalities

SDG 12: Responsible Consumption and Production.

SDG 13: Climate Action

SDG 17: Partnerships for the Goals

We are adhered to the United Nations Global Compact, the Women's Empowerment Principles and the Iniciativa de Género Panamá.

## Principle 2: Impact and Target Setting



We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

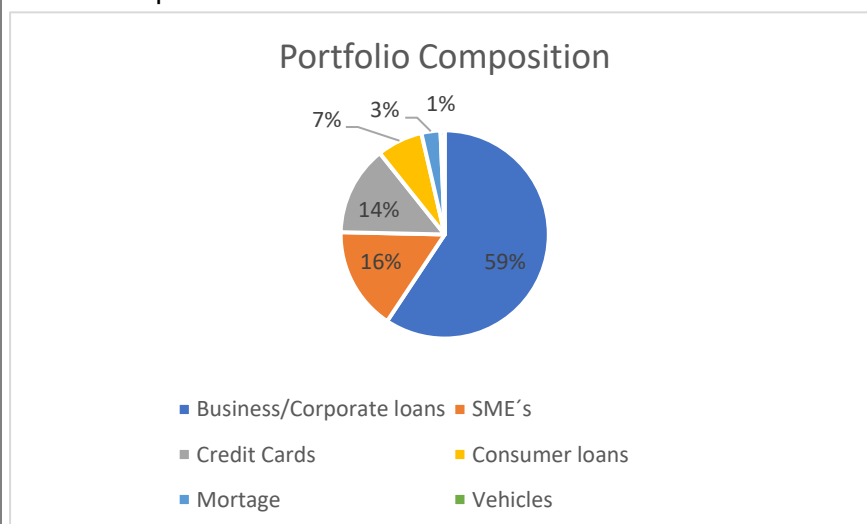
### 2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly<sup>2</sup> and fulfil the following requirements/elements (a-d)<sup>3</sup>:

**a) Scope:** What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

#### Response

We performed the impact analysis on 2022 with UNEP FI's tool. To carry out a diagnose based on St. Georges Bank's most important credit portfolio, the segment analysed in this initial phase was corporate business portfolio which represent more than 75% of the total portfolio.



In our future reports we will seek to conduct an analysis that includes the rest of our portfolios, to generate a comprehensive overview of the positive and negative impacts, to develop a strategy that is aligned to contribute to the resolution of the needs of the countries in which we have a presence.

#### Links and references

<sup>2</sup> That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

<sup>3</sup> Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).

**b) Portfolio composition:** Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope  
 i) by sectors & industries<sup>4</sup> for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or  
 ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

<i>Response</i>	<i>Links and references</i>																								
<p>The bank has considered the loan composition of the portfolio by economic activity and industries. We focus in the loan portfolio to business/corporate clients.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="background-color: #e0e0e0;">Business Loans by Economic Activity</th> </tr> <tr> <th style="text-align: left;">Economic Activity</th> <th style="text-align: right;">%</th> </tr> </thead> <tbody> <tr> <td>Construction of buildings</td> <td style="text-align: right;">33.60%</td> </tr> <tr> <td>Real estate activities with own or leased property</td> <td style="text-align: right;">19.11%</td> </tr> <tr> <td>Other retail sale in non-specialized stores</td> <td style="text-align: right;">11.99%</td> </tr> <tr> <td>Growing of tropical and subtropical fruits</td> <td style="text-align: right;">3.10%</td> </tr> <tr> <td>Growing of spices, aromatic, drug and pharmaceutical crops</td> <td style="text-align: right;">2.65%</td> </tr> <tr> <td>Short term accommodation activities</td> <td style="text-align: right;">2.34%</td> </tr> <tr> <td>Wholesale of other household goods</td> <td style="text-align: right;">2.31%</td> </tr> <tr> <td>Manufacture of vegetable and animal oils and fats</td> <td style="text-align: right;">2.17%</td> </tr> <tr> <td>Electric power generation, transmission and distribution</td> <td style="text-align: right;">2.11%</td> </tr> <tr> <td>Other activities</td> <td style="text-align: right;">20.62%</td> </tr> </tbody> </table>	Business Loans by Economic Activity		Economic Activity	%	Construction of buildings	33.60%	Real estate activities with own or leased property	19.11%	Other retail sale in non-specialized stores	11.99%	Growing of tropical and subtropical fruits	3.10%	Growing of spices, aromatic, drug and pharmaceutical crops	2.65%	Short term accommodation activities	2.34%	Wholesale of other household goods	2.31%	Manufacture of vegetable and animal oils and fats	2.17%	Electric power generation, transmission and distribution	2.11%	Other activities	20.62%	
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**c) Context:** What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?<sup>5</sup> Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

*This step aims to put your bank's portfolio impacts into the context of society's needs.*

<i>Response</i>	<i>Links and references</i>
<p>Through the Context Module of the Impact Analysis Tool, it was determined that the main common needs under analysis were:</p> <ul style="list-style-type: none"> <li>• Integrity &amp; security of person,</li> <li>• Availability, accessibility, affordability, quality of resources &amp; services,</li> <li>• Strong institutions, peace &amp; stability,</li> </ul>	<p>St. Georges Bank institutional banking analysis tool</p>

<sup>4</sup> 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

<sup>5</sup> Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

<ul style="list-style-type: none"> <li>• Socio-economic Convergence,</li> <li>• Biodiversity &amp; healthy ecosystems.</li> </ul> <p>In Panama, as in the whole world, climate change is a challenge in which actions need to be taken. We are committed to reduce our greenhouse gas emissions in our operations, this is why we are in the starting process for a consultancy to manage our carbon footprint.</p> <p>We are signatories of the UN Global Compact, and as of 2023, we have implemented ARAS 3.0 to evaluate all clients that might be of risk and have a negative impact in the environment and society.</p> <p>As for sustainable products, we aim to develop and promote green products, increase the existing green portfolio by 10% annually, and expand alliances with sustainable product suppliers.</p> <p>Furthermore, we have plans to reduce gender gaps in the value chain, including suppliers, employees, and clients, and for this we will expand relationships with women-owned businesses in the value chain, educate suppliers to improve performance in gender equality, develop products and services with a focus on women, and create an Equity, Diversity and Inclusion policy.</p>	
<p>Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)<sup>6</sup>? Please disclose.</p>	
<p><i>Response</i></p> <p>We have carried out an impact analysis using the UNEP FI Impact Tool, with which it is possible to identify the positive and negative impacts at the level of SME´s and corporate companies. We have also performed the WEP´s self-assessment analysis in 2020 and 2022, having improved initiatives and KPI´s. For this, we have a plan of activities to be carried out in the following 5 years (from 2023 to 2027), which are part of the strategic plans and the Regional Sustainable Strategy of Grupo Promerica.</p> <p>Positive impact of 100% was achieved in 5 of the 12 pillars diagnosed. These positive areas of impact include Health &amp; safety, Availability, accessibility, affordability, quality of resources &amp; services, Livelihood, Healthy economies, and Climate Stability.</p> <p>Opportunities for improvement are found in the pillars of Climate stability, Biodiversity and healthy ecosystems, circularity.</p> <p>Regarding the prioritization of areas to develop our strategy, it is in process since the diagnosis through the Impact Analysis Tool is the first phase, one of the next steps is to align the areas of need with the strategy to continue with the efforts to implement sustainable dynamics within the organization.</p>	<p><i>Links and references</i></p> <p>St. Georges Bank institutional banking analysis tool</p> <p>Memoria Annual 2022  <a href="https://www.stgeorgesbank.com/quienes-somos/memorias/memoria-2022/#book/">https://www.stgeorgesbank.com/quienes-somos/memorias/memoria-2022/#book/</a></p>

<sup>6</sup> To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

**d) For these (min. two prioritized impact areas): Performance measurement.** Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank’s context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank’s current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank’s activities and provision of products and services. If you have identified climate and/or financial health & inclusion as your most significant impact areas, please also refer to the applicable indicators in the [Annex](#).

If your bank has taken another approach to assess the intensity of impact resulting from the bank’s activities and provision of products and services, please describe this.

*The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.*

<i>Response</i>	<i>Links and references</i>
<p>St. Georges Bank’s mission is to promote a banking system that develops relationships and offers products and services to our communities, to help them overcome their limits, whether cultural, economic, personal, or geographic. That is why our products are focused on creating opportunities for productive segments and with the results of the materiality analysis we will have the basis for a strategy development. Business goals have been to advance towards a more sustainable portfolio.</p> <p>For gender equality we aim to work towards bringing benefits and attract potential women business along the supply chain. We have given gender focus to different activities in social investment and sustainable business.</p> <p>Our goals seek to impact SDG’s such as objective 1 poverty reduction through job creation in SMEs, 5 Gender equality, 8 Decent work and economic growth, 10 Reduction of inequalities, 11 Sustainable cities and communities, 12 Responsible Production and Consumption, 13 Climate action, and 17 Partnership for goals.</p>	<p>St. Georges Bank Impact analysis tool</p>

### Self-assessment summary:

**Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?<sup>7</sup>**

Scope:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Portfolio composition:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Context:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Performance measurement:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No

<sup>7</sup> You can respond “Yes” to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

**Which most significant impact areas have you identified for your bank, as a result of the impact analysis?**

Climate change mitigation, climate change adaptation, resource efficiency & circular economy, biodiversity, financial health & inclusion, human rights, gender equality, decent employment, water, pollution, other: please specify

Climate Change adaptation, Resource Efficiency & circular economy, Gender Equality, Financial Health and Inclusion

**How recent is the data used for and disclosed in the impact analysis?**

- Up to 6 months prior to publication
- Up to 12 months prior to publication
- Up to 18 months prior to publication
- Longer than 18 months prior to publication

**2.2 Target Setting (Key Step 2)**

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets<sup>8</sup> have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

**a) Alignment:** which international, regional or national policy frameworks to align your bank’s portfolio with<sup>9</sup> have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

*You can build upon the context items under 2.1.*

*Response*

The assessment through the Impact Analysis Tool constitutes the first phase of diagnosis, we are in the process of finalizing these objectives to continue with the efforts to implement sustainable dynamics within the organization.  
In St. Georges Bank our goal is to move the world towards sustainability.

*Links and references*

St. Georges Bank Impact analysis tool  
  
Memoria Annual 2022  
<https://www.stgeorgesbank.com/quienes-somos/memorias/memoria-2022/#book/>

<sup>8</sup> Operational targets (relating to for example water consumption in office buildings, gender equality on the bank’s management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

<sup>9</sup> Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank’s targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

**b) Baseline:** Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

*You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.*

*A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the [Annex](#) of this template.*

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

<i>Impact area</i>	<i>Indicator code</i>	<i>Response</i>
<i>Gender Equality</i>	<i>Gender Gap Analysis result (WEP's)</i>	<i>59%</i>
	<i>Women led business (% clients)</i>	<i>45%</i>
	<i>Women in Board of Directors (%)</i>	<i>33%</i>
	<i>Women in workforce (%)</i>	<i>64%</i>

Other indicators are shown by SDG in the Sustainability Report (Memoria Annual 2022)

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

<i>Response</i>	<i>Links and references</i>
<p>The assessment through the Impact Analysis Tool constitutes the first phase of diagnosis, we are in the process of finalizing these objectives to continue with the efforts to implement sustainable dynamics within the organization.</p> <p>In St. Georges Bank our goal is to move the world towards sustainability.</p>	

**c) SMART targets** (incl. key performance indicators (KPIs)<sup>10</sup>): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

<sup>10</sup> Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

<p><i>Response</i></p> <p>The assessment through the Impact Analysis Tool constitutes the first phase of diagnosis, we are in the process of establishing these objectives to continue with the efforts to implement sustainable dynamics within the organization. In St. Georges Bank our goal is to move the world towards sustainability.</p>	<p><i>Links and references</i></p> <p>St. Georges Bank Impact analysis tool</p> <p>Memoria Annual 2022</p>
<p><b>d) <u>Action plan:</u></b> which actions including milestones have you defined to meet the set targets? Please describe.</p> <p>Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.</p>	
<p><i>Response</i></p> <p>The assessment through the Impact Analysis Tool constitutes the first phase of diagnosis, we are in the process of finalizing these objectives to continue with the efforts to implement sustainable dynamics within the organization. In St. Georges Bank our goal is to move the world towards sustainability. However, we are working on an action plan that consists of the following actions:</p> <ul style="list-style-type: none"> <li>• Set green and sustainable commercial targets for business areas.</li> <li>• Train business areas in green technologies, green loans and others related.</li> <li>• Raise awareness in employees the clients.</li> <li>• Expand relationships with women-owned businesses in the value chain.</li> <li>• Educate suppliers to improve performance in gender equality.</li> <li>• Develop products and services with a focus on women.</li> <li>• Creation of Equity, diversity, and inclusion policy.</li> </ul>	<p><i>Links and references</i></p> <p>St. Georges Bank Impact analysis tool</p> <p>Memoria Annual 2022 <a href="https://www.stgeorgesbank.com/quienes-somos/memorias/memoria-2022/#book/">https://www.stgeorgesbank.com/quienes-somos/memorias/memoria-2022/#book/</a></p>

### Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	Climate Change Mitigation	Gender Equality	Financial Health & Inclusion
Alignment	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes

	<input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No

## 2.3 Target implementation and monitoring (Key Step 2)

### For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

**Or, in case of changes to implementation plans (relevant for 2<sup>nd</sup> and subsequent reports only):** describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

#### Response

The assessment through the Impact Analysis Tool constitutes the first phase of diagnosis, we are in the process of finalizing these objectives to continue with the efforts to implement sustainable dynamics within the organization.

In St. Georges Bank our goal is to move the world towards sustainability and the fulfilment of goals related to the Sustainable Development Goals.

#### Links and references

Memoria Annual 2022  
<https://www.stgeorgesbank.com/quienes-somos/memorias/memoria-2022/#book/>

## Principle 3: Clients and Customers



We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

### 3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers<sup>11</sup> in place to encourage sustainable practices?

Yes       In progress       No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

Yes       In progress       No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities<sup>12</sup>). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

*This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).*

#### Response

We have implemented ARAS 3.0 to evaluate credits with specific attention to the climate risks, providing more information to the client on how to adapt for future impacts of climate change in his business. The exclusion list is constantly updated according to the sectors that need to be restricted to avoid high intensity activities.

The policies in which we have integrated sustainability aspects during 2022 are the following:

- Human Resources Manual
- Code of Ethics and Conduct
- Human Rights Policy
- Sustainability Policy
- Corporate Governance Policy
- Environmental and Social Risk Management Policy

In the external and internal communication that occurs through marketing of the bank, we communicate sustainability actions that customers can take to be more sustainable. We started a series of sustainable webinars internally, so that they can learn more about sustainability and the bank's Sustainability Strategy.

#### Links and references

Memoria Annual 2022  
<https://www.stgeorgesbank.com/quienes-somos/memorias/memoria-2022/#book/>

### 3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

*Response*

We want to be the ally that accompanies our clients in their growth over time. Develop differentiated and attractive credit products for the client that contribute jointly with the bank's profitability objectives.

Based on our 2022 strategic plan, we want to:

1. focus on loan placement to support our clients in meeting their financial needs.
2. Economic and Social Development of Panama
3. Institutional Prestige
4. Permanence in Time
5. Prosperity of Customers, Employees and Shareholders

Our mission is to promote a banking system that develops relationships and offers products and services to our communities, to help them overcome their cultural, economic, personal, or geographical limits.

We believe that all people and businesses in our communities should push their limits to achieve the success they deserve.

St. Georges Bank has several sources through which it provides support to its clients with financial education issues and the operation of the bank's products and services, including email, Instagram, Facebook, website, WhatsApp, among others.

Even though it is not big, we have green products and services, which contribute to sustainability by supporting the transition towards a low carbon economy, focusing on energy efficiency and renewable energy, whose resources are directed to projects that help care for the environment.

We carry out strategic cooperation with co-brands for infinite benefits for clients, including airlines, medical centres, restaurants, schools, among many others.

At the same time, we establish relationships with international organizations with funding lines to carry out operations aligned with the group's strategy, including IDB and responsibility.

*Links and references*

<https://www.stgeorgesbank.com/>

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<https://www.stgeorgesbank.com/quienes-somos/memorias/memoria-2022/#book/>

<sup>11</sup> A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

<sup>12</sup> Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

## Principle 4: Stakeholders



We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

### 4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups<sup>13</sup>) you have identified as relevant in relation to the impact analysis and target setting process?

Yes       In progress       No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

#### Response

We are committed to the purpose of guaranteeing sustainable business management, maintaining corporate governance with transparent and ethical practices that allow us to strengthen relationships of trust with all our stakeholders.

We work in conjunction with the following stakeholders:

- Board of Directors
- Shareholders
- Business customers
- Collaborators
- Community
- Suppliers
- Regulatory entities
- Local governments
- Strategic allies

#### Links and references

<https://www.stgeorgesbank.com/>

Memoria Annual 2022

<https://www.stgeorgesbank.com/quienes-somos/memorias/memoria-2022/#book/>

<sup>13</sup> Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

## Principle 5: Governance & Culture



We will implement our commitment to these Principles through effective governance and a culture of responsible banking

### 5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

Yes       In progress       No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

<i>Response</i>	<i>Links and references</i>
<p>St. Georges Bank started its Sustainability Strategy which has been improved year after year to cover the different aspects that sustainability encompasses. Since 2018, there has been a Corporate social responsibility strategy and since 2020 a sustainability policy which is reported to all employees upon entering the bank. Currently, the Board of Directors maintains a constant interest in advancing the topics of this strategy.</p> <p>We have solid values within its strategy, Permanent Empathy, Entrepreneurs by Nature, Shared Trust and Common Culture.</p> <p>We have governance guidelines that govern the management of the bank and have a focus on sustainable development ensuring transparency in processes, decisions and relations between shareholders, Board of Directors, General Management, committees, control units, employees, and customers.</p> <p>Our Code of Ethics and Conduct, aims to promote a culture based on ethical and moral values, internally impacting directors, officers, and collaborators and is governed by an ethics committee that is responsible for ensuring compliance.</p> <p>The Board of Directors meets on an ordinary monthly basis according to a schedule approved in the session of said meeting. The sessions cover relevant topics such as finance, risk, and</p>	<p><a href="https://www.stgeorgesbank.com/">https://www.stgeorgesbank.com/</a></p> <p>Memoria Annual 2022 <a href="https://www.stgeorgesbank.com/quienes-somos/memorias/memoria-2022/#book/">https://www.stgeorgesbank.com/quienes-somos/memorias/memoria-2022/#book/</a></p>

<p>control. If necessary, extraordinary sessions may be convened to address relevant issues that require immediate attention, at the request of members of the Board of Directors, with due coordination with the President and/or Secretary of the Board of Directors.</p> <p>We have 9 committees to support the General Management in charge of supporting and expediting compliance with those decisions that correspond to the Management in general, according to the ethical guidelines that govern us. These committees as first instance bodies know first-hand the issues that will then be reviewed by the Board of Directors. During this year, we approved modifying the structure of the bank's committees by incorporating the Portfolio Committee to expedite compliance with those decisions that correspond to General Management.</p>	
<p><b>5.2 Promoting a culture of responsible banking:</b> Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).</p>	
<p><i>Response</i></p> <p>Grupo Promerica held its first sustainable Bootcamp in Guatemala City with the participation of the Netherlands Development Finance Company (FMO), the four main topics that were worked on were Green Lines, High Potential Segment, ESG Criteria, and Talent.</p> <p>During 2022, more than 18 316 hours of training are provided to employees on various topics, including those related to sustainability, such as financial education, recycling and waste management, gender, and health and well-being. Technical training is also provided according to the position of each person to strengthen the quality education of our collaborators and provide more tools for their personal and professional development.</p> <p>The assessment through the Impact Analysis Tool constitutes the first phase of diagnosis, we are in the process of finalizing these objectives to continue with the efforts to implement sustainable dynamics within the organization.</p> <p>In St. Georges Bank our goal is to move the world towards sustainability and the fulfilment of goals related to the Sustainable Development Goals.</p>	<p><i>Links and references</i></p>

### 5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio?<sup>14</sup> Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

#### *Response*

The basis of the sustainability policy and strategy is the management of environmental, social and governance risk ARAS. The objective of the SARAS is to guide the process of identifying the impacts that the credit operations of the clients may have. The process is supported by: The ARAS Policy and the environmental and social risk methodological manual, it also integrates compliance with international standards. Likewise, the bank's exclusion list.

#### **1. Manual de Administración de Riesgo Ambiental y Social:**

It's a methodology to identify, analyze and evaluate the possible environmental and social risks that are generated in the financing process by the Bank, in order to minimize socio-environmental risks and avoid incurring economic, legal and reputational losses. It's is to identify, measure, monitor, control, mitigate the possibility that the bank incurs losses due to the negative environmental and social impact, caused by the granting of credits for the financing of projects, as well as activities from the environment in which it operates, significantly affecting the economic, social, environmental system and the impact of reputational risk to Bank. Environmental and social risk management will be applied to the prospecting and analysis of clients who request facilities or products for facilities or products of the business loan portfolio. We do not fund operations and activities shown in the List of Exclusions.

#### **2. Política de Sostenibilidad:**

The sustainability policy establishes the environmental and social objectives and principles that constitute our maximum orientation to achieve a performance that allows us to positively influence society and the environment. For St. Georges Bank. Sustainability, that is, the commitment to the Sustainable Development model and the 2030 Agenda, is part of our *raison d'être* as a bank.

The purpose of the sustainability policy is to guide and demonstrate the Bank's commitment to sustainable development, enhancing the corporate social responsibility (CSR) approach, linking it with strategic and operational areas. Through the implementation of the Policy, SGB positions itself as a green

#### *Links and references*

*Manual de Administración de Riesgo Ambiental y Social, Lista de Exclusión.*  
*Política de Derechos Humanos*  
*Política de Sostenibilidad*  
*Política de Anti-corrupción y Soborno*

<sup>14</sup> Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

business and personal financing option in the local market, managing its own operations in an environmentally compatible and efficient manner.

**3. Política de Derechos Humanos:**

The policy reflects our commitment to Human Rights, in accordance with the highest international standards, especially the Guiding Principles on Business and Human Rights, launched by the United Nations in 2011. In line with our corporate environment and culture, we are committed to respecting and promoting Human Rights in our field of action, to avoid causing or contributing to adverse impacts on Human Rights through our operation, products or services and through our business relationships, as well as to manage those impacts should they occur.

This policy reflects the bank's position in this area and establishes the principles that inspire our commitment, in accordance with the main international declarations, such as:

- a. The International Bill of Human Rights.
- b. The International Labor Organization Declaration on Fundamental Principles and Rights at Work.
- c. The United Nations Guiding Principles on Business and Human Rights.
- d. The OECD Guidelines for Multinational Enterprises.
- e. The ten principles of the United Nations Global Compact.

**4. Política de Anticorrupción y Soborno:**

The purpose of this policy is to establish the responsibilities of St. Georges Bank and those who work for us, to observe and defend our position on bribery and corruption, and to provide information and guidance to those who work for us on how to recognize and deal with bribery and corruption issues.

**Self-assessment summary**

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

- Yes       In progress       No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

- Yes       In progress       No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

- Yes       In progress       No

## Principle 6: Transparency & Accountability



We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

### 6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

Yes       Partially       No

If applicable, please include the link or description of the assurance statement.

<i>Response</i>	<i>Links and references</i>
N/A	

### 6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- GRI
- SASB
- CDP
- IFRS Sustainability Disclosure Standards (to be published)
- TCFD
- Other: ....

<i>Response</i>	<i>Links and references</i>
UN Guiding Principles Reporting Framework (estándares de Pacto Global). However we are working towards implementation of GRI in the next annual report.	

### 6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis<sup>15</sup>, target setting<sup>16</sup> and governance structure for implementing the PRB)? Please describe briefly.

*Response*

St. Georges Bank and Grupo Promerica have a clear and robust governance structure for sustainability, since the interest in sustainability starts from the Board of Directors and senior management, permeating the strategic areas in sustainability, creating objectives for each of them and ensuring that they are met thanks to the work of the employees in each of these areas to meet the sustainability goals generated from the bank's business strategy.

*Links and references*

### 6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Embedding PRB oversight into governance                               | <input type="checkbox"/> Customer engagement                        |
| <input type="checkbox"/> Gaining or maintaining momentum in the bank                                      | <input type="checkbox"/> Stakeholder engagement                     |
| <input checked="" type="checkbox"/> Getting started: where to start and what to focus on in the beginning | <input checked="" type="checkbox"/> Data availability               |
| <input checked="" type="checkbox"/> Conducting an impact analysis   | <input type="checkbox"/> Data quality                               |
| <input checked="" type="checkbox"/> Assessing negative environmental and social impacts                   | <input type="checkbox"/> Access to resources                        |
| <input type="checkbox"/> Choosing the right performance measurement methodology/ies                       | <input type="checkbox"/> Reporting                                  |
| <input type="checkbox"/> Setting targets  | <input type="checkbox"/> Assurance                                  |
| <input type="checkbox"/> Other: ...   | <input checked="" type="checkbox"/> Prioritizing actions internally |

If desired, you can elaborate on challenges and how you are tackling these:

<sup>15</sup> For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

<sup>16</sup> For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

